

## DEPARTMENT OF FINANCE BILL ANALYSIS

**AMENDMENT DATE:** 04/24/2012  
**POSITION:** Oppose

**BILL NUMBER:** SB 1247  
**AUTHOR:** Gaines, Ted  
**RELATED BILLS:** AB 1578 (Logue)

### **BILL SUMMARY:** Watermaster service areas: cost of administration

Existing law requires the Department of Water Resources (DWR) to divide the state into watermaster service areas, and upon the request of 15 percent or more of the water users, DWR may appoint a watermaster to allocate water to the various properties that are entitled to water. Existing law requires all costs incurred by DWR for these purposes to be paid by the water rights holders.

This bill would authorize DWR to cover up to 50 percent of the costs of the State Watermaster Service Program (Watermaster Program) upon appropriation by the Legislature. The bill would sunset on January 1, 2014.

### **FISCAL SUMMARY**

The cost of the Watermaster Program for the 2011-12 fiscal year is approximately \$2.2 million (\$1.4 million from the Northern California region, and \$800,000 from the Southern California region, which consists only of the central and western basins). If the bill were approved and the Legislature appropriated funding, the bill would result in \$1.1 million General Fund costs split between the 2012-13 and 2013-14 fiscal years.

### **COMMENTS**

The Department of Finance is opposed to the bill as there is not a clear benefit to the state to increase General Fund costs while reducing costs to water right holders for whom watermaster services are provided.

The main purpose of the Watermaster Program is to ensure that the allocation of water is made by an unbiased, qualified person, thereby reducing water rights court litigation, civil lawsuits and law enforcement workload. The watermaster allocates water according to established water rights as determined by court adjudications or agreements. It also helps prevent the waste or unreasonable use of water.

Chapter 30, Statutes of 2004 (SB 1107), changed the funding structure of the Watermaster Program requiring all costs to be borne by water right holders whereas previous statute required DWR to provide General Fund for 50 percent of the costs. However, partial General Fund support of the Watermaster Program continued to be provided in subsequent Budget Acts, through June 30, 2011. In Fiscal Year 2011-12, all General Fund support for the watermaster services was eliminated, resulting in a substantial increase in fees to some state watermaster service areas.

Staff at the author's office state the purpose of the bill is to return the funding split to the level before SB 1107 was enacted in an effort to reduce the costs currently paid by water rights holders.

Analyst/Principal (0634) K.Gmeinder	Date	Program Budget Manager Karen Finn	Date
Department Deputy Director		Date	
Governor's Office:	By:	Date:	Position Approved _____ Position Disapproved _____
BILL ANALYSIS			Form DF-43 (Rev 03/95 Buff)

**BILL ANALYSIS--(CONTINUED)****Form DF-43****AUTHOR****AMENDMENT DATE****BILL NUMBER**

Gaines, Ted

04/24/2012

SB 1247

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)					
	LA	(Dollars in Thousands)					
	CO	PROP					Fund
	RV	98	FC	2011-2012	FC	2012-2013	FC 2013-2014 Code
3860/Water Res	SO	No	C	--	C	550 C	550 0001